

JF SAR Asian

January 2012

Objective

To provide investors with long term capital growth in US dollar terms through a portfolio consisting primarily of securities of companies based or operating principally in the Asia-Pacific region, excluding Japan and Hong Kong.

Fund Manager's report

Portfolio Review: December was a volatile month for Asian equities on low turnover volume ahead of the holiday period. US economic data was relatively better, but the European summit failed to lift investors' sentiment. ASEAN, Hong Kong and Taiwan led, while Australia, Korea and India lagged. Taiwan was weak until the government stepped in to support the market in the latter part of the month ahead of elections in the New Year. In Australia, gold stocks fell due to a gold price decline, while consumer discretionary underperformed following profit warnings by several retailers. Defensives outperformed cyclical, specifically energy and materials, there. The AUD held up above parity despite a second consecutive RBA rate cut. Korea continued to see foreigners selling, in particular banks, but the focus was the death of North Korean leader Kim Jung-Il. In ASEAN, Indonesian debt got upgraded to investment grade by Fitch, and the government approved the Land Acquisition Bill. The Fund performed in line with the benchmark (excluding fair value adjustment).

Outlook: Markets in the short term will continue to be driven by macro newsflow from the West. Overall we are cautiously constructive on Asian markets, primarily driven by the attractive valuations in the region which reflect the plethora of issues concerning the market. Our strategy remains positive on domestic Asia, such as Thailand and Indonesia, where we expect investment projects to progress, underpinning growth. Australia and the exported-oriented Taiwan remain underweights. Stock selection is key going forward.

Portfolio information

Fund manager	Joanna Kwok/Adam Upton, Hong Kong	
Launch date	17.09.98	
Fund size (m)	USD 430.4	
Denominated currency	USD	
NAV per unit:	Class A	USD 43.43
	Class B	USD 47.10
Trustee / Custodian	Royal Bank of Canada Trust Co (Asia) Ltd	
Dealing	Daily	
Year End	30 June	
ISIN code:	Class A	HK0000013752
	Class B	HK0000013760
Bloomberg code:	Class A	JFSRASI HK
	Class B	JFSRASB HK

For more information, please contact

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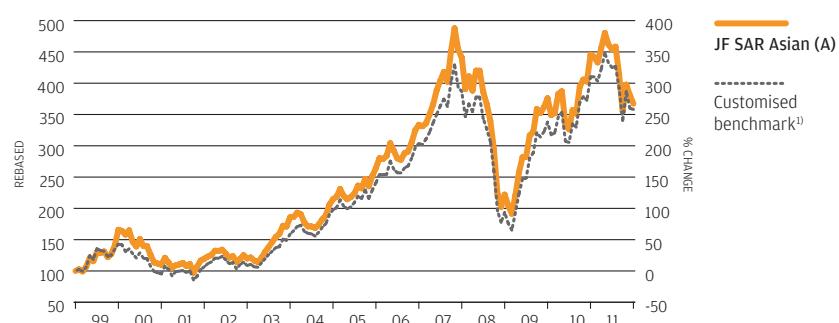
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- The Fund may invest in emerging markets and thus may have exposure to the relevant social, political, regulatory and currency risk. The Fund's price movement may go down or up sharply over a short time span.
- Investors may be subject to substantial losses.
- Investors should not solely rely on this document to make any investment decision.

Performance from 31.12.98 to 30.12.11



Cumulative performance %

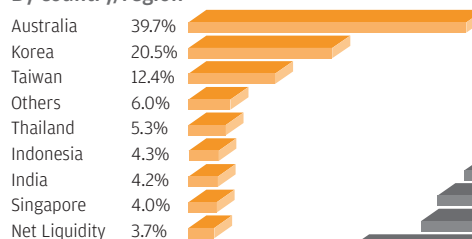
	1 month	1 year	3 years	5 years	Since launch
Class A	-3.6	-17.6	+65.4	+10.1	+334.3
Benchmark ¹⁾	-0.4	-12.7	+85.1	+18.0	+363.6

Calendar Year performance %

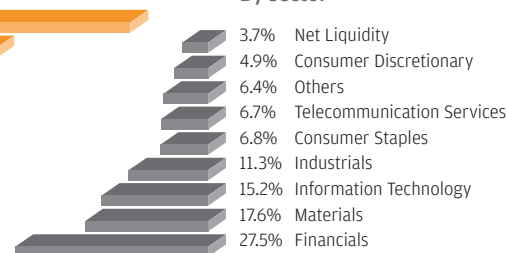
	2006	2007	2008	2009	2010	2011YTD
Class A	+26.1	+32.2	-49.6	+69.3	+18.5	-17.6
Benchmark ¹⁾	+26.1	+27.3	-49.9	+74.4	+21.5	-12.7

Portfolio analysis

By country/region



By sector



Top five holdings as at end November 2011

Holding	Sector	Country/region	%
Samsung Electronics	Information Technology	Korea	6.7
BHP Billiton	Materials	Australia	6.3
National Australia Bank	Financials	Australia	3.2
Taiwan Semiconductor Manufacturing	Information Technology	Taiwan	3.0
Wesfarmers	Consumer Staples	Australia	2.9

Unless stated otherwise, all information as at the last valuation date of the previous month. Source: JPMAM/Thomson Reuters Datastream (NAV to NAV in base currency with income reinvested). Any overweight in any investment holding exceeding the limit set out in the Investment Restrictions was due to market movements and will be rectified shortly. It should be noted that due to the difference of the fund domiciles the valuation points used by the JF funds and JPMorgan series of funds for fair valuation (where applied) may vary. For details please refer to the respective offering document(s). ¹⁾This benchmark is customised by JPMAM. From launch to 31.07.00, MSCI AC Pacific ex Japan and Hong Kong Total. From 01.08.00 to 31.03.01, MSCI AC Pacific ex Japan, Hong Kong and China Total. From 01.04.01 to 30.09.02, MSCI AC Pacific ex Japan, Hong Kong, China, Taiwan and Indonesia Total. From 01.10.02 to 30.11.10, MSCI AC Pacific ex Japan, Hong Kong, China and Indonesia Total. From 01.12.10, MSCI AC Pacific ex Japan, Hong Kong, China and Indonesia Net (dividends reinvested after deduction of withholding tax).

Investment involves risk. Past performance is not indicative of future performance. Funds which are invested in emerging markets and smaller companies may also involve a higher degree of risk and are usually more sensitive to price movements. Please refer to the offering document(s) for details, including the risk factors.

This document has not been reviewed by the SFC. Issued by JPMorgan Funds (Asia) Limited.